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RUEHKO/AMEMBASSY TOKYO PRIORITY 8098
RUEHGX/AMCONSUL GUANGZHOU PRIORITY 9606
RUEHHK/AMCONSUL HONG KONG PRIORITY 6967
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 0391
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TAGS: [ETTC](#) [UNSCR](#) [TW](#) [NKWG](#)
SUBJECT: MTAG: TAIWAN GAMEPLAN REVIEW

REF: BREMNER-NEELY EMAIL 10/06/2006

Classified By: AIT Deputy Director Robert S. Wang, REASONS 1.4 B/C

11. (S) Taiwan has made significant export control gameplan progress in recent weeks. This cable summarizes recent gameplan developments and responds to Ref A questions.

Definitions of Taiwan's SCL and SHTC

12. (S) Taiwan defines Sensitive High-Tech Commodities (SHTC) as including 1) items on the controlled lists provided by export control regimes such as the Wassenaar Arrangement, Australia Group, Nuclear Suppliers' Group and the Missile Technology Control Regime; 2) items not included on the controlled lists, but whose end use is linked to the development of nuclear, biological and chemical weapons and delivery systems; and 3) re-export of items imported with written assurances issued by Taiwan authorities. Taiwan requires all SHTC items to have a license to be exported to any destination. At the August 2005 negotiations, Taiwan agreed to also require export licenses for additional "sensitive commodities" bound for North Korea and Iran, and that U.S. agencies would be allowed to review all applications for export licenses for items bound for North Korea or Iran. Taiwan considers items on this Sensitive Commodities List (SCL) to be an additional category of SHTC items only for direct or indirect exports to North Korea and Iran.

Progress Made this Year

13. (S) In January 2006, Taiwan implemented the requirement that all SHTC items exported to North Korea and Iran must have export licenses reviewed by U.S. agencies. On June 1, Taiwan added 87 SCL items to its SHTC needing export licenses for export to Iran or North Korea. On September 15, in support of UNSCR 1695, Taiwan further expanded its SCL to include all the 433 items recommended by U.S. agencies, and clarified that all SHTC/SCL items bound for North Korea or Iran must be listed on the ship's manifest and obtain official permission to transit Taiwan ports. At the same time, Taiwan added new restrictions on travel and financial

dealings with Iran and North Korea. On September 28, Taiwan agreed to AIT procedures for sharing information on North Korean and Iranian visa applicants.

Export License Review System Working

¶4. (S) Since January 2006, Taiwan has sent to U.S. agencies via AIT about 60 export licenses applications related to exports of SHTC/SCL items to Iran and North Korea. Taiwan denied licenses in four cases, companies withdrew the application on learning of the proliferation risks in six cases, and two cases were withdrawn because of the lengthy application process.

Transit/Transshipment Reviews Face Technical Issues

¶5. (S) On September 15, Taiwan authorities issued a public notice informing shippers of the new transit/transshipment license requirement; however, full implementation of this gameplan requirement has been delayed pending resolution of technical details related to the time needed to review the license applications and the methods used by shipping agents.

Investigations Stemming from Gameplan

¶6. (S) Since January 2006, the Taiwan Bureau of Foreign Trade (BOFT) has provided the Ministry of Justice (MOJ) with information on about 20 cases of suspected export control violations for investigation. These cases involve at least five different companies, including multiple cases involving

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Ching Hwee and She Hong. Three of the 20 cases have been found to involve clear violations of export control regulations and have been turned over to local prosecutors for prosecution. Several of these 20 cases were detected as a result of tighter Customs inspections of goods bound for North Korea and Iran. Customs noticed that the items lacked export licenses, stopped the shipments, and notified BOFT. BOFT has described this as a significant step forward in interagency cooperation, but has also noted that MOJ needs instruction on how to carry out its export control investigations.

Next Steps

¶7. (S) The planned November 13-17 consultations are important to demonstrate our continued concern about full implementation of the gameplan. There have been no AIT-Taiwan interagency talks on export control since August ¶2005. At these upcoming consultations, Taiwan plans to present a report on progress and problems on the transshipment/transit issue. Taiwan is waiting for a response to its proposals on hosting EXBS regional training sessions. AIT is hoping for clarification of issues related to assigning an EXBS advisor here on a permanent services contract. AIT and Taiwan are hoping for clarification on how U.S. agencies can assist Taiwan in identifying high-risk shippers/exporters/importers whose cargoes transit Taiwan, and in training Taiwan MOJ investigators.

¶8. (S) From Taiwan's point of view, one major issue still handicapping Taiwan efforts to punish violators is the lack of cooperation from foreign and international agencies. For instance, Taiwan authorities have collected substantial evidence in a case where a Taiwan company illegally re-exported a Japan-made bio-drying cabinet to North Korea. However, this type of cabinet is not made in Taiwan, and Japan law enforcement agencies have so far refused to provide technical specifications on the cabinet that are needed in developing the prosecutor's case.

19. (S) Although not gameplan related, Taiwan authorities have repeatedly raised the issue of the rapid growth in the number of lost/stolen Taiwan passports. There are indications that ROC passports are becoming the travel document of choice among globe-trotting criminals. Yet, Taiwan is excluded from the ongoing APEC project to share information on lost/stolen passports. This information could be provided to Taiwan on CD in return for the information Taiwan provides on North Korea/Iran visas. On October 5, more than 500 Taiwan passports were stolen from a local travel agency.

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